

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF LOUISVILLE)	CASE NO. 90-158-II
GAS AND ELECTRIC COMPANY)	

ORDER

On December 21, 1990, in Case No. 90-158, the Commission approved certain adjusted rates for Louisville Gas and Electric Company (LG&E) and provided for their further adjustment on a quarterly basis in accordance with its gas supply clause (GSC).

On July 1, 1999, LG&E filed its GSC to be effective from August 1, 1999 through October 31, 1999.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. LG&E s notice proposes revised rates designed to pass on expected increased wholesale gas costs to its customers. LG&E s proposed expected gas supply cost is 32.849 cents per 100 cubic feet, or \$3.2849 per Mcf, which is 49.22 cents per Mcf more than the previous expected gas supply cost.

2. LG&E has no current supplier refunds to return to its customers. The total Refund Factor (RF) for sales customers of 3.74 cents per Mcf is composed of a previous quarter refund, and represents no change from the previous quarter total RF.

3. LG&E's notice set out a current quarter actual adjustment (AA) of 12.24 cents per Mcf to collect under-recovered gas cost from February, March and April 1999. The proposed total AA of (15.12) cents per Mcf reflects the current under-collection as well as under- and over-collections from three previous quarters, and represents an increase of 6.70 cents per Mcf over the previous total AA.

4. LG&E's notice set out a Balance Adjustment (BA) of \$(.2421) per Mcf to return remaining over-collections from previous actual and balance adjustments. This is an decrease of 29.65 cents per Mcf from the previous BA.

5. LG&E's notice set out its Performance-Based Rate Recovery Component (PBRRC) of \$.0868 per Mcf which is designed to collect LG&E's portion of PBR savings from the 12-month period ending October 31, 1998. This rate remains unchanged.

6. These adjustments produce a gas supply cost component of 29.410 cents per 100 cubic feet or \$2.9410 per Mcf, 26.27 cents per Mcf more than the prior gas supply cost component of \$2.6783 per Mcf.

7. The rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after August 1, 1999.

8. LG&E filed with its notice a petition for confidential treatment of supplier information filed in Exhibit B-1, pages 5 and 6 of 6. Publication of such information is likely to cause competitive injury to LG&E. Its request should be granted.

IT IS THEREFORE ORDERED that:

1. The rate in the Appendix to this Order is fair, just, and reasonable and is effective for gas supplied on and after August 1, 1999.

2. Within 30 days of the date of this Order, LG&E shall file with this Commission its revised tariffs setting out the rates authorized in this Order.

3. LG&E's request for confidential treatment of Exhibit B-1, pages 5 and 6, is hereby granted.

Done at Frankfort, Kentucky, this 27th day of July, 1999.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-158-II DATED JULY 27, 1999

The following rates and charges are prescribed for the customers served by Louisville Gas and Electric Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Gas Supply Cost Component

The total Gas Supply Cost Component shall be 29.410 cents per 100 cubic feet during the period covered by the bill.